

CHAPTER NO. 545

HOUSE BILL NO. 3073

By Representative Kisber

Substituted for: Senate Bill No. 3092

By Senator Henry

AN ACT to amend Titles 5, 6, 9 and 12 relating to authorizing investments for debt proceeds.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 12-10-111 is amended by adding the following at the end as a new subsection (n):

(n) In addition to any other investments authorized herein, cities, counties, or metropolitan governments may invest, or cause to be invested, the proceeds of loans to such cities, counties, or metropolitan governments from a public building authority in a guaranteed investment contract chosen or established by such public building authority provided:

(1) such guaranteed investment contract has a defined termination date not exceeding five years from the date of the issuance of the obligation by the public building authority for the purpose of funding such loans;

(2) such guaranteed investment contract is secured by obligations described in section 9-4-103 and secured at a level as required by section 9-4-105;

(3) such guaranteed investment contract is issued by an issuer having a credit rating of at least AA or its equivalent, by at least one nationally recognized rating agency; and,

(4) the obligations securing such guaranteed investment contract are deposited with an independent third party selected by the public building authority and are pledged to the cities, counties, and metropolitan governments receiving such loans.

SECTION 2. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect the provisions or application of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 3. This act shall take effect upon becoming law, the public welfare requiring it.

PASSED: March 18, 2002



JIMMY NAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES



JOHN S. WILDER
SPEAKER OF THE SENATE

APPROVED this 25th day of March 2002



DON SUNDQUIST, GOVERNOR